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89TH CONGRESS
1ST SESSION

H. R. 8390

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 1965

Mr. MURRAY introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To terminate cost-of-living allowances for statutory-salaried Federal civilian employees in nonforeign areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 207 of the Independent Offices Appropriation
4 Act, 1949, as amended (62 Stat. 194, 62 Stat. 1205; 5
5 U.S.C. 118h) is further amended by—

6 (1) adding after the word “stationed” the words “in
7 nonforeign areas”,

8 (2) striking out the words “living costs sub-
9 stantially higher than in the District of Columbia, or”
10 and the words “, or both such factors”, and

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1 (3) striking out the second proviso which reads
2 *"Provided further, That no additional compensation*
3 based on living costs substantially higher than in the
4 District of Columbia shall be paid under this section to
5 any person who is entitled to receive a cost-of-living
6 allowance under section 901 (2) of the Foreign Service
7 Act of 1946 or section 204 of this Act:".

8 SEC. 2. (a) In accordance with regulations issued by
9 the President or such agency or agencies as he may desig-
10 nate, an employee who immediately before the effective
11 date of this Act was receiving a cost-of-living allowance
12 under section 207 of the Independent Offices Appropriation
13 Act, 1949, as amended, shall receive a retained cost-of-living
14 allowance during an adjustment period subject to the limita-
15 tions and provisions for reduction prescribed by this section
16 unless his former allowance is completely offset by a special
17 rate authorized for his position under section 504 of the
18 Federal Salary Reform Act of 1962, as amended (76 Stat.
19 842; 78 Stat. 412; 5 U.S.C. 1173), to take effect on
20 the effective date of this Act.

21 (b) If an employee is entitled to a retained allowance
22 under (a) above, the amount of the retained allowance
23 which he is initially to receive shall be equal to five-sixths
24 of the dollar amount of the cost-of-living allowance which
25 he was receiving immediately before the effective date of this

1 Act after that dollar amount has first been reduced by the
2 amount by which it may be partially offset by a special rate
3 authorized for his position under section 504 of the Federal
4 Salary Reform Act to take effect on the effective date of this
5 Act.

6 (c) An employee's retained allowance shall be reduced
7 annually thereafter on the anniversary dates of the effective
8 date of this Act by such equal amounts as will result in the
9 termination of the retained allowance five years after that
10 effective date.

11 (d) If after the effective date of this Act, a special rate
12 applicable to an employee's position is authorized for the spe-
13 cific geographic area where he is employed, the amount of the
14 employee's retained allowance may be reduced or his re-
15 tained allowance may be terminated as prescribed by regula-
16 tion. If the retained allowance is reduced but not termi-
17 nated, it will be further reduced on the anniversary dates
18 of the effective date of this Act by equal amounts so that
19 it will be finally eliminated at the same time that it would
20 have been eliminated had the special rate not been authorized.

21 (e) An employee's retained allowance will be termi-
22 nated when he ceases to occupy either the position in which
23 he was receiving the allowance immediately before the
24 effective date of this Act or another position in which he
25 would have received an allowance had he been assigned to

1 it immediately before that date. If, however, an employee
2 returns to the area where he was receiving the allowance
3 after having been transferred for the convenience of the
4 Government to a nonforeign area where additional compen-
5 sation is paid on the basis of conditions of environment or to
6 a foreign area, he may be paid the retained allowance for
7 the remainder of the adjustment period in the amount which
8 he would have been receiving had he not been transferred.

9 SEC. 3. Section 504 of the Federal Salary Reform Act
10 of 1962 (76 Stat. 842) as amended by the Federal Em-
11 ployees Salary Act of 1964 (78 Stat. 412) is further
12 amended by—

13 (1) changing the proviso in subsection (a) to read
14 as follows: "*Provided*, That in no case, except in Alaska,
15 shall any minimum salary rate so established exceed the
16 seventh salary rate prescribed by law for the grade or
17 level." and

18 (2) adding at the end of such section the following
19 new subsection:

20 "(e) Notwithstanding other provisions of law, the
21 President or such agency or agencies as he may desig-
22 nate, may, by regulation, prescribe the rate of basic
23 compensation to be received by an employee who is
24 transferred, reassigned, demoted, or promoted to or

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1 from a position to which increased rates authorized by
2 this section apply.”

3 SEC. 4. This Act shall take effect on the first day of the
4 first pay period which begins immediately following ninety
5 days after the date of enactment.

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